



General Assembly

February Session, 2000

Amendment

LCO No. 3891

Offered by:

SEN. EADS, 30th Dist.

SEN. DELUCA, 32nd Dist.

SEN. ANISKOVICH, 12th Dist.

SEN. NICKERSON, 36th Dist.

To: Subst. Senate Bill No. 450

File No. 600

Cal. No. 394

***"An Act Concerning Urban And Industrial Site
Reinvestment."***

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (a) As used in this act, the following terms have
4 the following meanings:

5 (1) "Business firm" means any business entity authorized to do
6 business in the state and subject to tax imposed under chapter 207, 208,
7 209, 210, 211, 212 or 212a of the general statutes.

8 (2) "Eligible municipality" means (A) a municipality with an area
9 designated as an enterprise zone pursuant to section 32-70 of the
10 general statutes; (B) a distressed municipality, as defined in subsection
11 (b) of section 32-9p of the general statutes; or (C) a municipality with a
12 high density of brownfield sites.

13 (3) "Eligible project" means the remediation of a brownfield site
14 alone or in conjunction with any of the following activities in an
15 eligible municipality: (A) The construction of new housing or a new
16 facility; (B) the substantial rehabilitation; or (C) the demolition of an
17 existing facility or existing housing.

18 (4) "Eligible costs" means the costs associated with an eligible project
19 as determined and approved by the Commissioner of Economic and
20 Community Development.

21 (5) "Brownfield" means an abandoned, idled or under-used
22 industrial or commercial facility or site where development, expansion
23 or redevelopment is complicated by real or perceived environmental
24 contamination.

25 (6) "High density" means the ratio of the total acreage of the
26 brownfield sites in a municipality, as listed on the Connecticut
27 Development Authority's brownfield inventory, to that municipality's
28 total undeveloped acreage. For purposes of this subdivision,
29 undeveloped acreage shall include abandoned properties and
30 properties idle for three or more years.

31 (7) "Commissioner" means the Commissioner of Economic and
32 Community Development.

33 (b) The Commissioner of Economic and Community Development
34 may, in the commissioner's discretion, approve a project proposal in an
35 eligible municipality for a tax credit under section 2 of this act to a
36 business firm whose eligible project meets the criteria established in
37 this section and any regulations adopted thereunder. The
38 commissioner shall determine the amount of the credit awarded. Such
39 amount may, in the commissioner's discretion, be up to one hundred
40 per cent of the eligible costs of the project. The credit may be used
41 against any of the taxes to which such business firm is subject and
42 which are enumerated in subsection (a) of section 2 of this act.

43 (c) Any business firm may apply to the Commissioner of Economic

44 and Community Development for a tax credit in accordance with the
45 provisions of this section. The application for such credit shall contain
46 such information as the commissioner deems necessary to determine
47 the eligibility of the project, and shall be in the form and manner
48 prescribed by the commissioner.

49 (d) Project proposals may be submitted to the commissioner on an
50 ongoing basis. The commissioner shall review each application and
51 shall, not later than thirty days following its receipt approve or
52 disapprove the application, or notify the applicant that additional
53 information is required before a decision can be made. The decision of
54 the commissioner to approve or disapprove an application pursuant to
55 the provisions of this section shall be in writing, and, if the
56 commissioner approves the proposal, the commissioner shall state the
57 maximum credit allowable to the business firm.

58 (e) In determining whether to award a tax credit and the amount of
59 each tax credit awarded under this section, the commissioner may
60 consider and weigh the following factors:

61 (1) The general economic impact of the project, including, but not
62 limited to, job creation, potential to generate state tax revenue,
63 economic linkage, land reuse and community impact;

64 (2) The relevance of the project to the state plan of conservation and
65 development;

66 (3) The financial viability of the project;

67 (4) The financial quality of the developer or the project sponsor;

68 (5) Other state financial assistance to the applicant or the project;
69 and

70 (6) Any other information deemed relevant to the project proposed
71 by the commissioner.

72 (f) Any site that has been determined eligible and awarded a credit

73 under this section and section 2 of this act shall remain eligible for a
74 credit for construction or development for a period not to exceed five
75 years from the date of certification under subsection (g) of this section.

76 (g) (1) When the approved project has met the completion
77 requirements established by the commissioner and, in the case of
78 remediation, has met the standards for remediation established by the
79 Department of Environmental Protection, the commissioner shall
80 certify in writing that such requirements have been met and that the
81 taxpayer is eligible to claim the credit commencing in the taxable year
82 in which such certification is received.

83 (2) Each taxpayer claiming the credit allowed under this section and
84 section 2 of this act shall submit to the Commissioner of Revenue
85 Services a copy of the certification required under subdivision (1) of
86 this subsection with the taxpayer's tax return for each taxable year for
87 which a credit is claimed.

88 (h) The Commissioner of Economic and Community Development,
89 with the approval of the Commissioner of Revenue Services and the
90 Secretary of the Office of Policy and Management, may adopt
91 regulations in accordance with chapter 54 of the general statutes, to
92 carry out the purposes of this section.

93 Sec. 2. (NEW) (a) There shall be allowed as a credit against any tax
94 due under the provisions of chapter 207, 208, 209, 210, 211, 212 or 212a
95 of the general statutes an amount equal to a percentage of the amount
96 of credit certified by the Commissioner of Economic and Community
97 Development under subsection (g) of section 1 of this act as follows: (1)
98 With respect to credit certified for construction, substantial
99 rehabilitation or demolition of facilities or housing, ten per cent of the
100 amount certified in each income year succeeding the certification by
101 the Commissioner of Economic and Community Development that the
102 project has been completed, and (2) with respect to credit certified for
103 remediation of a contaminated site, ten per cent of the amount certified
104 in each income year succeeding the certification by the commissioner

105 that the remediation meets the standards established by the
106 Department of Environmental Protection.

107 (b) Any tax credit not used in the income year for which it was
108 allowed may be carried forward for the twenty immediately
109 succeeding income years until the full credit has been allowed, but in
110 no event shall the amount allowed in any income year exceed ten per
111 cent of the total amount certified by the Commissioner of Economic
112 and Community Development.

113 (c) In no event shall the total amount of all tax credits allowed to all
114 business firms pursuant to the provisions of this section and section 1
115 of this act exceed in the aggregate two hundred fifty million dollars for
116 five consecutive fiscal years commencing with the fiscal year ending
117 June 30, 2002.

118 (d) No taxpayer shall be eligible for a credit under this section or
119 any other provision of the general statutes for the same eligible costs
120 authorized by the commissioner under section 1 of this act.

121 Sec. 3. (NEW) (a) If the real property of an eligible project, as
122 defined in section 1 of this act, which has received written approval
123 from the Commissioner of Economic and Community Development
124 for a credit under sections 1 and 2 of this act, does not otherwise
125 qualify for abatement or exemption of property taxes under any other
126 provision of the general statutes, the municipality in which such
127 project is located shall, for a period of five assessment years following
128 the certification of the project under section 1 of this act, abate fifty per
129 cent of the portion of the property tax due that is attributable to the
130 increased value of such property as a result of the approved
131 remediation, construction or other development under section 1 of this
132 act. The abatement shall cease upon the sale or transfer of the property
133 for any other purpose unless the municipality consents to its
134 continuation. The municipality may also establish a recapture
135 provision in the event of sale, provided such recapture shall not exceed
136 the original amount of taxes abated.

137 (b) A municipality shall notify the Commissioner of Economic and
138 Community Development and the Secretary of the Office of Policy and
139 Management not later than thirty days after granting any abatement of
140 taxes under subsection (a) of this section. Such notice shall provide the
141 owner or purchaser's name, as the case may be, and the address of the
142 property.

143 Sec. 4. Section 12-412 of the general statutes, as amended by sections
144 16 to 27, inclusive, of public act 99-173 and section 54 of public act 99-
145 241, is amended by adding subdivision (108) as follows:

146 (NEW) (108) Sales of and the storage, use or other consumption of
147 tangible personal property acquired for incorporation into or other use
148 in, and sales of and the acceptance, use or other consumption of any
149 service described in subdivision (2) of section 12-407, as amended, that
150 is used and consumed in the development, construction, rehabilitation,
151 renovation or remediation of any eligible project, as defined in section
152 1 of this act, which has received written approval from the
153 Commissioner of Economic and Community Development for a tax
154 credit under sections 1 and 2 of this act.

155 Sec. 5. This act shall take effect January 1, 2001."